GOVERNMENT OF INDIA
COAL AND MINES
LOK SABHA

UNSTARRED QUESTION NO:470
ANSWERED ON:04.03.2002
PRIVATISATION OF COAL BLOCKS
NARESH KUMAR PUGLIA;PRAKASH V. PATIL;SHYAMA SINGH;SUNIL KHAN

Will the Minister of COAL AND MINES be pleased to state:

(a) whether the Government have taken a decision to hand over 127 coal blocks including 7 blocks of Western Coalfields Limited (WCL) to private sector for exploitation of coal deposits;

(b) if so, the names of such coal blocks, State-wise;

(c) the reasons for such a decision;

(d) the details of the terms and conditions laid down therefor; and

(e) the extent to which the awarding of said blocks to private sector is going to help the loss making subsidiaries of Coal India Limited (CIL)?

Answer

MINISTER OF STATE FOR COAL AND MINES (SHRI RAVI SHANKAR PRASAD)

(a) to (c): Considering the need to augment power generation and to create additional capacity during the VIII Planperiod, the Government decided to allow private participation in the Power Sector. The Coal Mines (Nationalisation) Act,1973 was amended w.e.f. 9.6.1993 to allow private sector participation in coal mining for generation of power, for washing of coal obtained from a mine or for other end uses to be notified by Government from time to time in addition to the existing provision for the production of iron and steel. Mining of coal for production of cement was also permitted by the Government vide notification dated 15.3.1996.

At present, 121 coal mining blocks/sub-blocks under Coal India Limited including 10 blocks in the command area of Western Coalfields Limited, a subsidiary of CIL and 7 blocks under Singareni Collieries Company Limited havebeen identified for mining by public/private sector companies for specified end use on captive basis. The names of these 128 coal blocks/sub-blocks, state-wise, are given in the Annexure enclosed.

(d) : The following are the guidelines adopted for allocation of blocks to the public / private sector for captive mining :-

i) An application for mining of a coal block for quantity less than 1 million tonnes per annum in opencast mining and less than 250,000 tonnes per annum in underground mining would not be entertained so as to ensure economic / scientific mining of Indian coal.

ii) Preferably blocks in green field areas where basic infrastructure like road, rail links, etc. is yet to be developed should be given to the public/ private sector. The areas where CIL has already invested in creating such infrastructure for opening new mines should not be handed over to the private sector, except on reimbursement of costs.

iii) The blocks offered to private sector should be at reasonable distance from existing `mines and projects of CIL in order to avoid operational problems.

iv) Blocks already identified for development by CIL where adequate funding is on hand or in sight should not be offered to the private sector.

v) Public/private sector should be asked to bear full cost of exploration in these blocks which may be offered.

vi) For identifying blocks, the requirements of coal for about 30 years would be considered.

vii) The other requirements are :-

(a) approval of mining plan as required under the Mines and Minerals (Development and Regulation) Act,1957.

(b) inspection for an appropriate enforcement of conservation measures by the Coal Controller under the Coal Mines (Conservation and Development)Act, 1974 with a view to ensuring scientific mining.

(c) enforcement of safety regulations by the Directorate General of Mines Safety.

(e): Allocation of coal blocks for mining by public/private sector parties for specified end use on captive basis has no relationship with profit or loss of any subsidiary company of Coal India Ltd.

Annexure referred to in reply to parts (a) to (c) of Lok Sabha Unstarred Question No.470 for 4.3.2002

JHARKHAND

Sl.No. Name of the block

1 Pirpainti Barahat (North of Hura) (ECL)
2 Chuperbhita (ECL)
3 Chichro-Patsimal (ECL)
4 Pachwara North (ECL)
5 Pachwara Central (ECL)
6 Pachwara South (ECL)
7 Chakla (CCL)
8 North Dhadhu (CCL)
9 South Dhadhu (CCL)
10 Pakri-Barwadih (CCL)
11 Rajbar (CCL)
12 Tubed (CCL)
13 Jagaldagga (CCL)
14 Chiru (CCL)
15 Jayanti (CCL)
16 Lohari (CCL)
17 Durgabat/ Kathautua (CCL)
18 Meral (CCL)
19 Mednirai (CCL)
20 Seregarha (CCL)
21 Brinda (CCL)
22 Sisai (CCL)
23 Dumri (CCL)
24 Chatti-Bariatu (CCL)
25 Karendari A, B, C (CCL)

26 Bundu (CCL)
27 Tokisud South

(CCL)
28 Tokisud North

(CCL)
29 Jainagar (CCL)
30 Pindra -
Debipur -
Khaowa (CCL)
31 Belghara (CCL)
32 Saddampur (CCL)
33 Choritand-Tilya

(CCL)
34 Moitra (CCL)
35 Badam (CCL)
36 Gondulura (CCL)
37 Babupara (CCL)
38 Rauthpara (CCL)
39 Jogeswar (CCL)
40 Basantpur-Kotre

(CCL)
41 Pachmo (CCL)
42 Lalgarh (CCL)
43 Gomia (CCL)
44 Saria-Koiyatand

(CCL)
45 Tenughat-Jhikri

(CCL)
46 Mahal (BCCL)
47 Sitanala (BCCL)
48 Parbatpur

(BCCL)
49 Tashra (BCCL)

50 Gaurigram

(BCCL)
51 Aluara

(BCCL)

WEST BENGAL

52 Dewanganj

(ECL)
53 Deocha-
Pachmi

(ECL)
54 Barjora
North (ECL)
55 Barjora

South (ECL)
56 Sarisatolli

(ECL)
57 Tara (West)

(ECL)
58 Tara(East)

(ECL)
59 Khagra-
Joydev

(ECL)
60 Ardhagram

(ECL)
61 Kunur (ECL)
62 Nachan

(ECL)
63 Ichhapur

(ECL)
64 Biharinath

(ECL)
65 Shunuri

(ECL)
66 Dharma

(ECL)
67 Lalganj

(ECL)
68 Kabitirtha

(ECL)
69 Sitarampur

(ECL)
70 Kulti (ECL)
71 Jitpur

(ECL)

72 Gangaram
chak
Bhadulia

(ECL)
73 Gangaram
Chak (ECL)
74 Borejora

(ECL)

MADHYA PRADESH

75 Mahan (NCL)
76 Mandala
North (WCL)

77 Rawanwara
North (WCL)
78 Sial
ghoghri

(WCL)
79 Brahmpuri

(WCL)
80 Gotitoria
East (WCL)
81 Gotitoria
West (WCL)

MAHARASHTRA

82 Lohara East

(WCL)
83 Marki-
mangli

(WCL)
84 Takli-Jena-
Bellora

(WCL)
85 Takli-Jena-
Bellora

(WCL)

CHHATTISGARH

86 Madanpur

(SECL)
87 Bisrar

(SECL)
88 Tara (SECL)
89 Patoria

(SECL)
Gare-Palma

(SECL)
90 Sector-I

(SECL)
91 Sector-II

(SECL)
92 Sector-III

(SECL)

93 Sector-IV/1

(SECL)
94 Sector-IV/2

(SECL)
95 Sector-IV/3

(SECL)
96 Sector-IV/4

(SECL)
97 Sector-IV/5

(SECL)
98 Sector-IV/6

(SECL)
99 Sector-IV/7

(SECL)
10 Sector-IV/8
0 (SECL)
10 Gidhumuri
1 (SECL)
10 Parsa
2 (SECL)
10 Nakiya
3 (SECL)
10 Chotia
4 (SECL)
10 Panch-
5 Bahani

(SECL)

ORISSA
10 Utkal-A
6 (MCL)
10 Utkal-B-1
7 (MCL)
10 Utkal-B-2
8 (MCL)
Utkal-III

(MCL)
10 Utkal-C
9 (MCL)
11 Utkal-D
0 (MCL)
11 Utkal-E
1 (MCL)
11 Utkal-F
2 (MCL)
11 Chaturdhara
3 (MCL)
11 Talabira-I
4 (MCL)
11 Talabira-II
5 (MCL)
11 Rampia
6 (MCL)
11 Ghogar
7 Palli (MCL)
11 Brahmani
8 (MCL)
11 Radhikapur
9 (MCL)
12 Patrapara
0 (MCL)
12 Aunli (MCL)
1
ANDHRA PRADESH

12 Anisettipal
2 li UG

(SCCL)
12 Cherla OC
3 (SCCL)
12 Cherla UG
4 (South
Block)

(SCCL)
12 Penagadapar-
5 I (SCCL)
12 Punukul
6 Chilka

(SCCL)
12 Tadicherla
7 Block-II

(SCCL)
12 Tadicherla
8 Block - I

(SCCL)

IDENTIFICATION OF CAPTIVE MINING BLOCKS FOR POWER GENERATING COMPANIES AND COMPANIES ENGA
THE MANUFACTURE OF IRON & STEEL AND CEMENT

Under the Coal Mines(Nationalisation) Act,1973 coalmining is exclusively reserved for the public sector. By an amendment to the Act in 1976, two exceptions to this policy were introduced viz.
(i) captive mining by private companies engaged in production of iron and steel and
(ii) sub-lease for coal mining to private parties in isolated small pockets not amenable to economic development and not requiring rail transport, were allowed. Considering the need to augment power generation and to create additional capacity during the VIII Plan period, the Government decided to allow private participation in the Power Sector. The Coal Mines (Nationalisation) Act,1973 was amended w.e.f. 9.6.1993 to allow private sector participation in coal mining for generation of power, for washing of coal obtained from a mine or for other end uses to be notified by Government from time to time in addition to the existing provision for the production of iron and steel. Mining of Coal for production of cement has also been permitted by the Government vide notification dated 15.3.96.

2. Considering the need to augment power generation and to create additional capacity during the Eighth Plan the Government took a decision in 1992 to allow private sector participation in the power sector. Consequently, it became necessary to provide for coal linkages to power generating units coming up in the private sector. Coal India Limited and Neyveli Lignite Corporation Limited, the major producers of coal and lignite in the public sector, were experiencing resource constraints. A number of projects could not be taken up in a short span of time. As an alternative it was proposed to offer new coal and lignite mines to the proposed power end use. Washeries have to be encouraged in the private sector also, to augment the availability of washed coal for supply to steel plants, power houses etc.

3. Coal India Limited and Singareni Collieries Company Limited haveidentified number of coal mining blocks for allocation to private / public sector for captive mining.

4. The following are the guidelines adopted for allocation of blocks to the public / private sector for captive mining :-

(i) An application for mining of a coal block for quantity less than 1 mtpa in opencast mining and less than 250,000 tonnes per annum in underground mining would not be entertained so as to ensure economic / scientific mining of Indian coal.

(ii) Preferably blocks in green field areas where basic infrastructure like road, rail links, etc. is yet to be develop ed should be given to the public/ private sector. The areas where CIL has alreadyinvested in creating such infrastructure for opening new mines should not be handed over to the private sector, except on reimbursement of costs.

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(vi) For identifying blocks, the requirements of coal for about 30 years would be considered.

(vii) The other requirements are :-

(a) approval of mining plan as required under the Mines and Minerals (Regulation and Development) Act,1957.

(b) inspection for an appropriate enforcement of conservation measures by the Coal Controller under the Coal Mines (Conservation and Development)Act, 1974 with a view to ensuring scientific mining.

(c) enforcement of safety regulations by the Directorate General of Mines Safety.

5. A Screening Committee under the Chairmanship of Additional Secretary(Coal)comprising of representatives from Ministry of Railways, Ministry of Power, Concerned State Governments, Ministry of Steel, Department of Industrial Policy & Promotion (Ministry of Industry), Coal Controller, Coal India Ltd.,CMD`s of concerned subsidiary companies of CIL, CMD, NLC as members has been set up in the Ministry for screening the proposals received for captive mining.